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GENERAL DYNAMICS ACQUIRES MORE THAN HALF OF CESSNA STOCK

General Dynamics Corp. said Thursday it has acquired over half of Cessna Aircraft Company's stock, clearing the way for GD's acquisition of the Wichita-based general aviation manufacturer *(BA, Sept. 16/89)*. GD said over 13 million shares of Cessna common stock had been tendered in response to its $30 per share offer, exceeding the minimum 11.1 million share requirement. "Accordingly, General Dynamics has accepted for payment all shares validly tendered and will begin paying today for the Cessna shares." The tender offer was scheduled to expire at midnight Oct. 11 unless extended.

Cessna Chairman Russ Meyer said last month he expected the merger to be completed in late November or early December. A filing in early September indicated Cessna was anticipating revenues of about $801 million in the fiscal year that ended Sept. 30 and a pre-tax loss of about $51 million, while fiscal 1986 revenues were estimated at $624 million with anticipated pre-tax earnings of about $41 million. Meyer said late last month that fiscal 1985 revenues would probably be slightly lower than the original estimate and that revenues in fiscal 1986 should be somewhat higher than forecast. He indicated that the large fiscal 1985 pre-tax loss was attributable to writedowns on aircraft inventories and on the U.S. Navy T-47 program.

Cessna would normally publish its financial results for fiscal 1985 this week, but a spokesman said Friday that the regular Cessna board meeting and release of financial information will not occur this week, but may be rescheduled at a later date. If GD receives at least 90 percent of Cessna's stock, no meeting of Cessna shareholders will be necessary to complete the acquisition and the agreement could be finalized in early November. If GD obtains less than 90 percent of the stock through the tender offer, a stockholders meeting will be required, which would probably delay final details of the acquisition until some time in December.

SF-340 PROGRAM NEGOTIATIONS 'BACK BURNERED'

Officials at Saab-Scania in Sweden and at Fairchild Industries last week were keeping quiet as to the status of negotiations between the two companies regarding the future of the Saab-Fairchild 340 commuter aircraft program, but an official at Saab-Fairchild International said "things have been put on the back burner and probably won't be started up again for two weeks at the very least."

Negotiations aimed at reducing Fairchild's role in the 340 program began more than a month before the Oct. 3 announcement by Fairchild President Emanual Fthenakis that the company is considering selling the entire aviation division in order to cut losses and maintain Fairchild's three remaining business groups: communications and electronics, space and commercial and industrial *(BA, Sept. 9/81)*. In announcing the possible sale of the aviation operations, Fthenakis noted that the Fairchild Republic portion of the aircraft group is "where the major problem area" lies *(BA, Oct. 7/113)*.

Rolf Erichs, a spokesman for Saab-Scania's aircraft division in Sweden, said the two partners were negotiating following a request on the part of Fairchild to have "a minor part in the program," with Saab taking a larger part. Both parties are looking for "a good solution" to the issue. What a good solution is,

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BUSINESS/PERSONAL AIRCRAFT INDUSTRY – SEPTEMBER UNIT SHIPMENTS

		Sept. 85	Cal. Year
AEROSPATIALE GENERAL AVIATION			
• Single-Engine			
T89	Tampico	0	3
T810	Tobago	0	13
T820	Trinidad	2	29
T821	Trinidad TC	0	1
R110		0	2
R180		0	0
R235		0	0
TOTAL		2	48
BEECH AIRCRAFT CORP.			
• Single-Engine			
BE-77	Skipper	0	0
BE-C23	Sundowner	0	1
BE-C24R	Sierra	0	0
BE-F33A	Bonanza	3	17
BE-A36	Bonanza	4	60
BE-V35B	Bonanza	0	0
BE-B36TC	Bonanza	0	12
• Multi-Engine			
BE-B55	Baron	0	0
BE-E55	Baron	0	1
BE-58	Baron	1	19
BE-58TC	Baron	0	1
BE-58P	Baron	5	11
BE-76	Duchess	1	5
BE-B60	Duke	0	0
BE-C90	Airliner	0	0
BE-C90-1	King Air	0	22
BE-F90-1	King Air	0	3
BE-B100	King Air	0	0
BE-200	Super King Air	3	23
BE-200C	Super King Air	0	3
BE-300	Super King Air	2	31
BE-200T	Super King Air	0	0
BE-1900C	Commuter	0	14
TOTAL		19	223
Manufacturers net billing – $13,466,293			
BRITISH AEROSPACE			
• Multi-Engine			
BAe	Jetstream 31	1	22
HS-748		0	3
BAe 146-100		1	7
BAe 146-200		0	5
HS-125-800	Model A	1	14
HS-125-800	Model B	1	3
TOTAL		4	54
PILATUS BRITTEN-NORMAN LTD.			
• Multi-Engine			
BN-2	Islander	0	7
BN-2T	Islander	0	0
Mark III	Trislander	0	0
TOTAL		0	7
CANADAIR LTD.			
• Multi-Engine			
CL-600	Challenger	0	0
CL-601	Challenger	2	5
TOTAL		2	5
CESSNA AIRCRAFT CO.			
• Single-Engine			
CE-152		9	87
CE-A152	Aerobat	2	6
CE-172	Skyhawk	34	166
CE-172	Cutlass	0	5
CE-172RG	Cutlass	2	11
CE-182	Skylane	25	79
CE-182	Turbo Skylane	0	0
CE-182RG	Skylane RG	3	14
CE-182RG	Turbo Skylane RG	6	11
CE-185	Skywagon	3	18
CE-U206	Stationair 6	7	39
CE-TU206	Turbo Stationair 6	1	24
CE-207	Stationair 8	0	0
CE-TU207	Turbo Stationair 8	0	0
CE-210	Centurion	2	10
CE-T210	Turbo Centurion	12	48
CE-P210	Pressurized Centurion	3	17
CE-188	AgHusky	0	0
CE-188	AgTruck	0	0
• Multi-Engine			
CE-303	Crusader	3	15
CE-335		0	0
CE-340		0	5
CE-402		4	11
CE-404	Titan	0	0
CE-414	Chancellor	0	1
CE-421	Golden Eagle	0	1
CE-208	Caravan I	3	40
CE-425	Conquest I	0	18
CE-441	Conquest II	0	11
CE-500	Citation I	0	6
CE-550S/II	Citation II	6	41
CE-650	Citation III	1	15
CESSNA/REIMS AVIATION			
• Single-Engine			
CE-F152		5	10
CE-F152	Aerobat	0	5
CE-F172	Skyhawk	1	2
CE-FR172	Hawk XP	0	0
CE-F182	Skylane	0	0
CE-F182RG	Skylane RG	0	0
TOTAL		131	717
Manufacturers net billing – $38,734,446			
AVIONS-MARCEL DASSAULT			
• Multi-Engine			
AD-My.10	Falcon	0	0
AD-My.20	Falcon	0	1
AD-My.200	Falcon	0	6
AD-My.50	Falcon	1	7
TOTAL		1	14
DE HAVILLAND AIRCRAFT OF CANADA			
• Multi-Engine			
DHC-5		0	0
DHC-6		3	17
DHC-7		0	4
DHC-8		4	10
TOTAL		7	31
EMBRAER			
• Single-Engine			
EMB-200		0	0
EMB-201	Ipanema	0	17
EMB-710	Carioca (PA-28-235 Dakota)	0	2
EMB-711	Corisco (PA-28RT-201 Arrow)	2	12
EMB-712	Tupi (PA-28-181 Archer II)	1	6
EMB-720	Minuano (PA-32-310 Seratoga)	1	5
EMB-721	Sertanejo (PA-32R-301 Seratoga)	0	5
• Multi-Engine			
EMB-110	Bandeirante	0	7
EMB-120	Brasilia	1	2
EMB-121	Xingu	0	2
EMB-810D	Seneca II	3	29
EMB-820	Chieftain	0	1
TOTAL		8	88
FAIRCHILD AIRCRAFT CORP.			
• Multi-Engine			
Merlin III-C		0	2
Fairchild 30		0	0
Merlin IV-C		0	1
Metro III		3	10
Expediter		0	4
TOTAL		3	17
GATES-LEARJET			
• Multi-Engine			
LR-25D		2	2
LR-25G		1	3
LR-29		0	0
LR-35A		0	7
LR-36A		0	0
LR-55		0	5
TOTAL		3	17

		Sept. 85	Cal. Year
GULFSTREAM AEROSPACE			
• Multi-Engine			
GR-1159A	Gulfstream III	0	12
AE-840	Turbo Commander	0	1
AE-900	Commander 900	1	4
AE-980		0	0
AE-1000		2	26
TOTAL		3	43
ISRAEL AIRCRAFT INDUSTRIES			
• Multi-Engine			
1124	Westwind 1	0	0
1124A	Westwind 2	1	7
	Astra	1	1
TOTAL		2	8
LAKE AIRCRAFT			
• Single-Engine			
LA-4-200EP		0	6
LA-250	Renegade	1	12
TOTAL		1	18
MAULE AIR INC.			
• Single-Engine			
M-5-180C		0	22
M-5-200		0	0
M-5-235C	Lunar Rocket	0	1
M-6-235		1	4
M-7-180		5	16
M-7-235	Super Rocket	0	10
MX-7-235		2	0
TOTAL		8	65
MITSUBISHI			
• Multi-Engine			
Solitaire		0	0
Marquise		0	3
Diamond		0	3
Diamond II		0	1
TOTAL		0	7
MOONEY AIRCRAFT CORP.			
• Single-Engine			
M-20J	201	6	32
M-20K	231	1	27
TOTAL		7	59

		Sept. 85	Cal. Year
PIPER AIRCRAFT CORP.			
• Single-Engine			
PA-38-112	Tomahawk	0	0
PA-28-161	Warrior	11	62
PA-28-181	Archer II	11	73
PA-28-236	Dakota	0	16
PA-28RT-201T	Turbo Arrow IV	0	13
PA-32-301	Saratoga	4	25
PA-32R-301	Saratoga SP	1	8
PA-32R-301T	Turbo Saratoga SP	1	15
PA-46-310P	Malibu	6	79
• Multi-Engine			
PA-31-350	Chieftain	0	6
PA-31P-350	Mojave	0	12
PA-31-500	Cheyenne I	0	1
PA-31-500	Cheyenne IA	0	2
PA-42-720	Cheyenne III	0	1
PA-42-720	Cheyenne IIIA	0	4
PA-42-1000	Cheyenne 400LS	2	16
PA-34-220T	Seneca III	3	43
PA-44-180	Seminole	0	12
PA-44-180T	Turbo Seminole	0	5
PA-700P	Aerostar	0	7
PA-T1020		0	0
PA-T1040		0	1
TOTAL		39	401
Manufacturers net billing – $8,185,834			
SHORT BROTHERS LTD.			
• Multi-Engine			
SBJ-CS-7	Skyvan	0	0
SD-3-30		0	1
SD-3-60		1	13
TOTAL		1	14
	SINGLE-ENGINE	178	1,121
	MULTI-ENGINE	64	715
	GRAND-TOTAL	242	1,836

UNIT SHIPMENTS COMPARATIVE TREND: 19 MANUFACTURERS

	September			Calendar Year to Date		
	1985	1984	1983	1985	1984	1983
Aerospatiale	2	*	*	48	*	*
Beech	19	34	32	223	313	308
British Aerospace	4	7	6	54	43	42
Britten-Norman	0	0	2	7	9	10
Canadair	2	1	*	5	16	*
Cessna	132	198	170	717	736	1,033
Dassault	1	0	0	14	19	22
De Havilland	7	2	0	31	19	9
Embraer	8	6	11	88	73	64
Fairchild	3	5	8	17	20	17
Gates	3	1	3	17	17	24
Gulfstream	3	6	9	43	38	46
Israel	2	1	2	8	8	7
Lake	1	1	2	18	23	18
Maule	8	3	10	65	38	30
Mitsubishi	0	0	0	7	11	33
Mooney	7	0	13	59	109	103
Piper	39	44	30	401	463	473
Short	1	2	1	14	25	25
TOTAL	242	333	299	1,836	1,980	2,265

Parentheses show actual Embraer deliveries, not including aircraft kits.
* Figures not available.